



State Severance Taxes on  
Oil and Natural Gas

**COLORADO SEVERANCE TAX ON THE OIL AND NATURAL GAS INDUSTRY  
INITIATIVE**

"SHALL STATE TAX REVENUE BE INCREASED ANNUALLY BY AN AMENDMENT TO COLORADO REVISED STATUTES CONCERNING SEVERANCE TAX ON OIL AND GAS EXTRACTED IN THE STATE AND IN CONNECTION THEREWITH FOR TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2018, CHANGING THE TAX TO 10% OF TOTAL GROSS INCOME FROM THE SALE OF OIL AND GAS EXTRACTED IN THE STATE WHEN THE AMOUNT OF ANNUAL GROSS INCOME IS AT LEAST \$200,000.00; ELIMINATING THE CREDIT AGAINST THE SEVERANCE TAX FOR PROPERTY TAXES PAID BY THE OIL AND GAS INDUSTRY AND INTEREST OWNERS, ELIMINATING THE AD VALORUM TAX DEDUCTION AND STRIPPER WELL EXEMPTION THAT QUALIFIES WELLS FOR AN EXEMPTION FROM THE TAX; EXEMPTING REVENUES FROM THE TAX AND RELATED INVESTMENT INCOME FROM STATE AND LOCAL GOVERNMENT SPENDING LIMITS; AND REQUIRING THE TAX REVENUES TO BE CREDITED AS FOLLOWS: (A) 22% TO THE SEVERANCE TAX TRUST FUND, (B) 22% TO THE LOCAL GOVERNMENT SEVERANCE TAX FUND, AND (C) 56% TO A NEW SEVERANCE TAX STABILIZATION TRUST FUND OF WHICH 30% IS USED TO FUND SCHOLARSHIPS FOR COLORADO RESIDENTS ATTENDING STATE COLLEGES AND UNIVERSITIES, 30% IS USED TO FUND KINDERGARTEN AND ELEMENTARY SCHOOL EDUCATION, 15% TO FUND MONITORING OF AIR POLLUTION IN COUNTIES AND MUNICIPALITIES BEARING THE BRUNT OF FRACKING-RELATED POLLUTION, 10% TO FUND RENEWABLE ENERGY; 15% TO FUND MEDICAL TREATMENT OF RESIDENTS SUFFERING FROM THE NEGATIVE HEALTH IMPACTS OF OIL AND GAS OPERATIONS?"

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